



February 28, 2001

BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612
(907) 561-5111

Mr. Randy Bates
Project Analyst
Division of Governmental Coordination
Office of the Governor
P.O. Box 110030
Juneau, AK 998110-0030

Re: Comments to Draft ACMP Regulations (6 AAC 50)

Dear Mr. Bates:

BP Exploration (Alaska), Inc. (BPXA) appreciates this opportunity to comment on the draft revisions to Alaska Coastal Management Program (ACMP) Regulations (6 AAC 50), prepared by the Division of Governmental Coordination. We recognize that considerable effort has been devoted to this effort. In particular, breaking the regulations out into articles of general applicability, creating sections to deal with modifications of existing determinations, and clarifying the process for changes to the A and B List were long needed structural additions to the regulations. However, BPXA has several significant comments regarding the proposed modifications. We believe the current draft regulations do not provide streamlining, do not add predictability to the permit process, and do not correct existing obstacles to a streamlined permit process. We urge that another review draft of the regulations be provided.

The draft-revised regulations do not improve predictability regarding scope of review nor do they improve coordination among the state, local and federal reviewing agencies. We recommend that DGC revise the regulations to conform them to the scope provided in Alaska Statutes, Title 46 Chapter 40, and to replicate the scope of new federal Coastal Zone Management Act regulations (15 CFR Part 930). The Coastal Zone Management Act regulations do not require a review of each activity or authorization that may occur in a coastal area; and instead review only those permits that regulate an effect on coastal resources.

We also recommend that DGC list directly in the regulations those Department of Natural Resources, Department of Environmental Conservation, and Department of Fish & Game permits or authorizations that are subject to a consistency review. Other authorizations not addressed in the regulations are then excluded from review. Providing a list of state, local, and federal authorizations subject to consistency review would provide clarity to the applicant and streamline the consistency review process.

Another significant obstacle to a streamlined permit process in the existing program, and which is not remedied in the draft program revisions, is the incompatible level of permit detail required to initiate the ACMP review process. The long lead times required to initiate review of certain permits, including Air Quality Control Permits to Construct and Pipeline Right-of-Way Leases, can significantly delay initiation of review. Also, when inconsistently applied among projects, the requirement for a draft Air Quality Permit, adds unneeded uncertainty to the process. The delay required for preparation of a draft Air Quality Permit can, in effect, subordinate review of issues dealing with land use, water use, habitat effects, and other broad project subjects to technical

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details inherent in complicated permit processes and emissions modeling. The resulting holdup to initiation of review does not provide significant benefit in determining the likely effects of the overall project to coastal zone resources or uses. The delay does, however, add uncertainty to project review timelines. Due to seasonal constraints of oil and gas exploration and development in Alaska, the unpredictability of the review schedule can literally determine whether a project is funded or not.

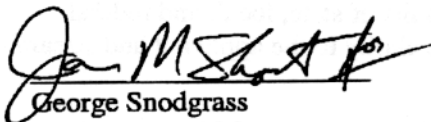
Unpredictability resulting from delay in project startup is compounded by the lack of certainty in the permit review timelines provided in the draft regulation revisions. The new regulations provide multiple opportunities to suspend review timelines, resulting in an inability for the applicant to predict likely permit processing timeframes. Currently the regulations allow for eleven clock stoppages. For example, when a request for additional information is received on day 25, as stated in the draft 6 AAC 50.245 (e), the clock is stopped allowing for seven (7) days suspension while the agency reviews the requested information. If a second information request is made, there are no restrictions in place that limit the scope of the request, which should fall within the scope of the original request.

The uncertainties in the new regulations provide little assurance that the ACMP review will be timely or coordinated. The program is complex and raises numerous old and new issues that need further discussion and analysis. BPXA has worked with the Alaska Oil and Gas Association (AOGA) on their comments and endorses comments made by AOGA to the Division of Governmental Coordination about the Draft ACMP Regulations, 6 AAC 50.

Based on our review of the draft, we believe another review draft and comment period is appropriate prior to submission of the proposed regulations to the Coastal Policy Council for approval. The focus of this subsequent review draft should be adding language clarifying the scope of review, eliminating the unneeded delay inherent in accommodating complex permit processes, and providing more certainty and discipline to the process to minimize the potential for unneeded suspension of review.

Again, we appreciate the opportunity to provide comment and look forward to continued improvements in the implementation of the Alaska Coastal Management Program. If you wish to discuss these comments, please call Karen Wuestenfeld at 564-5490 or Riki Lebman at 564-4216.

Sincerely,



George Snodgrass
Environmental Manager
HSE - Alaska